

SEC85

C6/13/17

Andy Sloan - Magnes Inc.

Re: Initial Kin Insurance Meeting Notes

Topics of Discussion:

- Compliance is our biggest concern.
- Security important needs
- View the raise as a security
- Complying with Howey test. (viewed as a security)
- Started selling 1 week ago. 42 million sold now. Cap pre-sale?
- Money raised in pre sale Israel, Japan, Canada US,
- High Risk issues - Money laundering. AML risk assessment. Policies in place to mitigate risk
- BMO, RBC can invest in Crypto. CIBC can't.
- Financial issues - consumer facing is wrapped into Banker Bonds. (deposits or delivering transfer of funds. Underwritten
- Ether & USD in presale. In auction only Ether.

Commented [1]: The SAFT is a security, however the tokens are not a security.
 +peter@kik.com can you confirm?
 -Assigned to Peter Henke

Commented [2]: Yes - we used the Howey test

Actions to Be Taken;

- Re-assess D&O insurance. Penalties are not insurable. (Jail time, etc.)
- Add defense costs. 10 million to expect to defend. (fines are not insurable)
- Professional Liability Review - Question if existing Insurers will be interested. Will review for understanding/ appetite in Crypto Currency Space.
- D&O to be reviewed to protect Directors

Notations re Insurance Needs

- Any direct payment to an officer (Side A coverage)- can carry higher limits - (when no company to be paid - insolvent)
- Professional liability - who & how is injured by a claim. That will define the limit driver. Research needed to define.
- KIN foundation will need its own insurance.
- MSB will be covered under umbrella D&O with Kik Inc.

Action Items from Meeting:

- Peter to discuss Amazon agreement status. New agreement needed for Cyber Policies Status - In process
- Kin Foundation to be registered in Ontario. (Launches in 6 months or so) Status- Not started.
- Angela to send SAFT agreement Status - Completed.
- Angela to send Kik TLV General Liability Policy (written in Hebrew)- Status - Completed.
- New D&O applications to be completed. - Status Completed - AIG
- Review needs for Professional Liability & Cyber

Commented [3]: Michelle sent me the current Amazon agreements, and some additional notation around the migration. Will evaluate needs & forward for application

EXHIBIT**53**

19-cv-5244-AKH

EXHIBIT 183

WIT:

DATE: 9/21/18

Melinda Johnson, CSR

08/28/2017 - Overview of Insurance Next Steps from Chris Cameron (Magne Insurance)

As discussed, we are seeking updated quotes for cyber liability, professional liability and, directors and officers liability. We aren't putting anything new in place per se but given that we are talking to other markets we do need to update the information (the last cyber app we have on file is from 2013). We will also need to put bankers bonds in place but the limits and requirements are going to be determined on a state by state basis so we will want to be working with your legal team to put those in place.

I've spoken to all of the available markets for cyber/professional liability/D&O and while some do not have the appetite for Kik's operations we do have enough underwriters with an interest that we won't have an issue developing a market. As an example we have strong interest from AIG, Allianz and CNA who could be in a position to provide competitive terms. Also, we have open access to the Lloyds of London market place should any of our domestic insurers struggle once the application comes back.

In terms of the limits we will be looking for, I'm hesitant to pin down a hard and fast number at this point because I want to do some more benchmarking but I'm thinking I'll get options ranging up to \$25M. From that point we can have a cost benefit conversation on what the premiums look like at different levels.

Lastly, with respect to timeline I can get the information to underwriters as soon as you have it back to me and we are a little disrupted with Canada day on Monday but I would expect a turn around time of roughly a week. I can give you a more specific timeline once I've gotten the revised submission to them.

Hopefully that's the summary you're looking for but give me a call if you want to discuss further - thanks,

Application Follow up Action Items:

- Cyber Liability updates: Review all Personal Identifiable Information (PII) and Financial Account Information.
- Review Data Centre Hosting contracts. (Switch to Amazon from Rackspace)

Update - 07/06/17

Action Items

- Need to redo Cyber Media Application (Tech Package) as it applies to Kik only for time being. Will need new Amazon agreements, understanding of how information is stored on servers, Privacy & Security.
- Follow up conversation with Peter/ Andy/ Derek / Chris about operations of MSB - how it transacts - to be scheduled for Thursday. Calendar invite coming.
- D&O applications has good interest. Formal quotes coming in by End of Week. Suggested 25M in coverage - limit not restricted at 25M, pricing models may determine what we are comfortable with.
- Peter concerned with D&O application as it relates to KIK, not KIN operations. Review with Andy what Insurers need to understand in addition, and where liability is.
- AIG Application - Shared in DocHub - live document
- <https://dochub.com/angelawatkins72667457/PXYJekKik-aig-app-non-edit?dt=8iv6tius2j2kep7>

Commented (4): Adding Summary of Today's action items. Review approach to Cyber Application, and determine needs. Calendar invite to follow

Summary of Current Policies/ Limits/ New Limits Suggested

Coverage	Summary	Current Coverage	Suggested Coverage to extend	Notations
	Covering all Directors & Officers who make decisions on behalf of Kik for Kik Business purposes. Coverage for mismanagement of funds, employment practice issues, as they relate to any Director or Officer of the business	15 M total (5 primary + 10 Excess)	25M suggested. (5 primary + 10+10)	Good response in market to applications. No concern on increasing coverage. Pricing model will be determined by pricing. Excess pricing to be less expensive) Pricing in by July 7th. Peter has concerns that increasing D&O as related to KIK is not sufficient. Must answer as relates to KIN - Dive deeper to understand what providers need/ are looking for.
Directors & Officers Liability	Covering all Office premises for theft of assets, property issues, slips/falls on site. Covers all 4 offices. TLV has supplementary coverage - remain as is for current	5M	No changes suggested	Current coverage with C&A. Another provider could offer package offering to reduce D&O, Cyber * Professional premiums

1. The first part of the document is a title page. It contains the title of the document, the author's name, and the date of the document. The title is "The History of the United States of America". The author is "John Adams". The date is "1776".

2. The second part of the document is a table of contents. It lists the chapters of the document and the page numbers where they begin. The chapters are "The Declaration of Independence", "The Constitution", "The Bill of Rights", "The Federalist Papers", and "The Anti-Federalist Papers". The page numbers are 1, 2, 3, 4, and 5 respectively.

3. The third part of the document is the main body of the text. It contains the full text of the Declaration of Independence, the Constitution, the Bill of Rights, the Federalist Papers, and the Anti-Federalist Papers. The text is written in a formal, legalistic style. It is written in English and is the original text of the documents.

4. The fourth part of the document is a bibliography. It lists the sources of the text. The sources are "The National Archives", "The Library of Congress", and "The University of Michigan".

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